

Message Text

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ACTION EA-06

INFO OCT-01 SS-14 ISO-00 PM-03 SP-02 L-01 INR-07 EB-03

RSC-01 NSC-05 NSCE-00 CIAE-00 EUR-08 DODE-00 /051 W
----- 046989

R 160339Z JAN 75

FM AMEMBASSY BANGKOK

TO SECSTATE WASHDC 9838

INFO AMEMBASSY MOSCOW

AMEMBASSY SEOUL

AMEMBASSY TAIPEI

AMCONSUL HONG KONG

USLO PEKING

C O N F I D E N T I A L SECTION 1 OF 2 BANGKOK 0789

LIMDIS

E.O. 11652: GDS

TAGS: PFOR, ETRD, TH, KN, CH

SUBJ: THAI DELEGATION TO DPRK AND PRC

REF: A. BANGKOK 234 (NOTAL)

B. BANGKOK 231 (NOTAL)

SUMMARY: DEPUTY COMMERCE MINISTER PRASONG SUKHUM AND PRESIDENT OF THE THAI BOARD OF TRADE OP WASURAT BOTH REFLECT AMBSSADOR ANAN PANYARACHUN'S ENTHUSIASM FOR THE RECEPTION THEIR DELEGATION RECEIVED IN NORTH KOREA. THE NORTH KOREANS MADE AN ALL-OUT EFFORT AT A SNOW JOB. THE DELEGATION DID NOT AGREE ON ANY SPECIFIC TRADE CONTRACTS BUT EXCHANGED COMMERCIAL NOTES OF INTENT TO TRADE. THE KOREANS SURPRISED THE THAI BY WANTING TO BUY THREE MILLION GUNNY BAGS, BUT WAFFLED ON SELLING THE THAI MUCH CHEMICAL FERTILIZER.

AS FOR CHINA, BOTH OP AND PRASONG CONFIRMED THAT THE DELEGATION SIGNED NO SPECIFIC AGREEMENTS OR CONTRACTS. PRASONG SAID THAT PEKING MADE IT CLEAR THAT ROC REPRESENTATION WOULD HAVE TO LEAVE BANGKOK BEFORE THE PRC WOULD NORMALIZE RELATIONS WITH CONFIDENTIAL

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THAILAND. THE CHINESE ALSO SPOKE AGAINST THE SUPERPOWERS AND

NUMBERED THEMSELVES AMONG THE THIRD-WORLD COUNTRIES. PRASONG EMPHASIZED TO THE CHINESE THAT THE RTG HAD FULL AUTHORITY OVER U.S. FORCES STATIONED IN THAILAND. HE CITED THE P-3 RECONNAIS-SANCE FLIGHTS AS AN EXAMPLE. END SUMMARY.

INTRODUCTION: AS EMBASSY OFFICER CONTACTED DEPUTY COMMERCE MINISTER PRASONG ON JANUARY 10 AND PRESIDENT OF THE THAI BOARD OF TRADE OP WASURAT ON JANUARY 13 FOR COMMENTS CONCERNING THE THAI TRADE DELEGATION'S LATE DECEMBER VISIT TO THE PEOPLE'S REPUBLIC OF CHINA AND NORTH KOREA. PRASONG HAD RECEIVED BACKGROUND BRIEFINGS ON BOTH NORTH KOREA AND CHINA FROM EMBASSY OFFICERS PRIOR TO THE TRIP.

I. NORTH KOREA

1. PRASONG WAS FAVORABLY IMPRESSED WITH THE CITY OF PYONGYANG AND WAS SOMEWHAT AMAZED WITH THE HIGH LEVEL OF HOSPITALITY THE NORTH KOREANS SHOWED THE DELEGATION. HE CONTRASTED THIS ATTITUDE WITH THE GOOD BUT NOT EXCEPTIONAL RECEPTION THEY RECEIVED IN PEKING. ACCORDING TO PRASONG, THE DELEGATION DEALT DIRECTLY WITH PREMIER KIM IL, WHO ALSO FUNCTIONS AS FOREIGN MINISTER. THEY DID NOT MEET PRESIDENT KIM IL-SUNG.

2. THE DPRK PROPAGANDA WAS QUITE INTENSE, BOTH AGAINST THE UNITED STATES AND ALONG THEMES THAT NORTH KOREA IS A PEACE-LOVING COUNTRY THAT HAS MANAGED TO REBUILD ITS WAR-TORN INFRASTRUCTURE. A VISIT TO A TRACTOR FACTORY AND THE CHILDREN'S PALACE EMPHASIZED TECHNOLOGICAL ADVANCEMENT AND CONCERN FOR KOREAN YOUTH.

3. OP WASURAT'S IMPRESSIONS OF NORTH KOREA PARALLEL THOSE OF PRASONG. OP WAS OBVIOUSLY IMPRESSED WITH NORTH KOREAN HOSPITALITY AND ALSO MENTIONED HOW CLEAN AND WELL-PLANNED PYONGYANG WAS. HE FOUND THE NORTH KOREANS PREPARED TO DO ALMOST ANYTHING TO MAKE THE DELEGATION'S VISIT MEMORABLE. WHEN MEMBERS OF THE THAI DELEGATION EXPRESSED AN INTEREST IN SEEING SOMETHING OF NORTH KOREAN CULTURAL ACTIVITIES, PREMIER KIM IL IMMEDIATELY OPENED THE NATIONAL THEATER WHICH WAS CLOSED AT THE TIME, FILLED THE THEATER WITH EMPLOYEES FROM TWO MINISTRIES, AND ORDERED A SPECIAL PERFORMANCE FOR THE THAI DELEGATION.

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4. LIKE PRASONG, OP COMMENTED THAT THE NORTH KOREANS CONSTANTLY DWELLED ON THEIR HATRED OF THE UNITED STATES, AND EMPHASIZED AN "ASIA FOR ASIANS" THEME. OP'S COMMENTS IMPLIED THAT THIS LATTER THEME HAD CONSIDERABLE APPEAL TO HIM. NORTH KOREAN OFFICIALS ASURED OP THAT "FREE" ELECTIONS THROUGHOUT THE KOREAN PENINSULA WOULD EASILY BRING KIM IL-SUNG INTO POWER OVER A UNIFIED KOREA.

5. ALTHOUGH PREMIER KIM IL STATED THAT THE DPRK WAS PREPARED TO NORMALIZE RELATIONS WITH THAILAND, PRASONG SAID THAT THE DECISION WOULD AWAIT THE ATTENTION OF THE ELECTED RTG. THE DELEGATION EXCHANGED COMMERCIAL NOTES OF INTENT TO TRADE WITH THE NORTH KOREAN GOVERNMENT, BUT DID NOT AGREE ON SPECIFIC TRADE CONTRACTS.

6. PRASONG SAID THE DELEGATION WENT TO NORTH KOREA PREPARED TO SELL 500,000 GUNNY BAGS, AND WAS SURPRISED WHEN THE NORTH KOREANS ASKED TO BUY THREE MILLION. THE KOREANS WANTED BAGS OF A DIFFERENT SIZE THAN THE THAI NOW MAKE, BUT PRASONG EXPECTS A FIRM CONTRACT WILL EVENTUATE AS SOON AS THE THAI CAN QUOTE PRICES. OP REFERRED TO THE KOREAN NEGOTIATORS AS BEING QUITE READY TO IMMEDIATELY ENTER INTO TRADE RELATIONS WITH THAILAND. WHEN OP TRIED TO BUY CHEMICAL FERTILIZER, HOWEVER, HE WAS INFORMED THAT FERTILIZER WAS IN SHORT SUPPLY DUE TO NORTH KOREA'S OWN NEEDS. AFTER SOME DISCUSSION, THE NORTH KOREANS VERBALLY AGREED TO SELL THAILAND UNLIMITED QUANTITIES OF PIG IRON NONFERROUS ORES. OP TOLD THE NORTH KOREANS THAT THAILAND WOULD BUY BOTH OF THESE COMMODITIES.

7. IN DISCUSSING DELIVERY OF GOODS PURCHASED IN NORTH KOREA, THE NORTH KOREAN NEGOTIATORS ATTEMPTED TO CONVINCE OP THAT NORTH KOREA HAD SUFFICIENT SHIPS TO DELIVER EXPORTS TO THAILAND EITHER VIA JAPANESE PORTS OR DIRECT TO BANGKOK. THE NORTH KOREANS PARENTHETICALLY ADDED THAT INTERNATIONAL FLAG CARRIERS, SUCH AS JAPANESE SHIPS, ALSO CALL AT NORTH KOREAN PORTS AND COULD BE EMPLOYED. (IN OP'S OPINION, THE KOREANS OFFERED TO MAKE DELIVERIES DIRECT TO BANGKOK VIA NORTH KOREAN FLAG CARRIERS MORE AS A CHALLENGE TO THAILAND TO RECEIVE NORTH KOREAN SHIPS THAN AS A SERIOUS PROPOSAL FOR PRACTICAL CONSIDERATION.)

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INFO OCT-01 SS-14 ISO-00 PM-03 SP-02 L-01 INR-07 EB-03

RSC-01 NSC-05 NSCE-00 CIAE-00 EUR-08 DODE-00 /051 W

----- 047306

R 160339Z JAN 75

FM AMEMBASSY BANGKOK

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LIMDIS

8. THE NORTH KOREANS EMPHASIZED THAT THEY WOULD NOT ACCEPT U.S. DOLLARS IN PAYMENT BUT THAT ANY OTHER CONVERTIBLE INTERNATIONAL CURRENCY WOULD BE ACCEPTABLE.

II. CHINA

9. PRASONG STATED THAT HIS DELEGATION SIGNED NO SPECIFIC AGREEMENTS OR CONTRACTS WITH THE CHINESE, AND THAT THE VISIT WAS MOSTLY FOR GOODWILL AND ESTABLISHING A LONG-RANGE BASIS FOR TRADE AND THE EVENTUAL NORMALIZATION OF RELATIONS. THE DELEGATION DID NOT ATTEMPT TO PIN THE CHINESE DOWN ON SPECIFIC TRADE MATTERS NOR RAISE THE ISSUES OF COMMUNIST INSURGENCY IN NORTHERN THAILAND AND VERBAL VOICE OF THE PEOPLE OF THAILAND ATTACKS ON THE THAI GOVERNMENT.

10. OP SAID THEY ACCOMPLISHED LITTLE IN THE WAY OF CONCRETE TRADE NEGOTIATIONS. HE SAID THAT THE CHINESE PROMISED IN GENERAL TERMS TO BUY TOBACCO AND RUBBER FROM THAILAND. ALTHOUGH THE TWO SIDES DID NOT SETTLE ON QUANTITIES, THE CHINESE INDICATED THAT THEY WOULD BE PREPARED TO PURCHASE 4500 TONS OF TOBACCO AND MIGHT CONSIDER BUYING RUBBER IN QUANTITIES EQUIVALENT TO THEIR

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PRESENT PURCHASES FROM MALAYSIA. THE CHINESE OFFICIALS INSISTED ON SAMPLES AND PRICES FOR BOTH OF THESE ITEMS BEFORE COMMITTING THEMSELVES.

11. OP SAID HE INDICATED TO THE CHINESE THAT THAI BUSINESS CONCERN CAN BE PERSUADED TO BUY MACHINE TOOLS FROM CHINA. HE TOLD US PRC MACHINE TOOL PRICES WERE THIRTY TO FORTY PERCENT LOWER THAN U.S. AND WESTERN EUROPEAN QUOTATIONS. OP ALSO STATED THAT THAILAND WOULD CONTINUE TO BUY PRECISION MACHINE TOOLS AND MACHINERY FROM THE U.S. AND WESTERN EUROPE, BUT WOULD MOST LIKELY TRY CHINA FOR NONPRECISION MACHINERY.

12. OP MENTIONED THAT HE WAS DISAPPOINTED IN THE COMPOSITION OF THE PRASONG DELEGATION. IN OP'S OPINION, THIS DELEGATION DID NOT REPRESENT THAI BUSINESS INTERESTS, BUT WAS MERELY A SIGHTSEEING TRIP FOR GOVERNMENT OFFICIALS. OP HOPES IN THE FUTURE TO PUT TOGETHER AND LEAD A TRULY BUSINESS-ORIENTED DELEGATION TO CHINA THAT CAN COME BACK WITH FIRM DEALS AND PRACTICAL BUSINESS AR-

RANGEMENTS.

13. ACCORDING TO PRASONG, THE DELEGATION MEMBERS MET VICE PREMIER LI HSIEN-NIEN AND WERE PARTICULARLY IMPRESSED BY THE DEPUTY MAYOR OF SHANGHAI AND THE COMMANDER OF THE SHANGHAI MILITARY GARRISON WHO JOINTLY HOSTED A DINNER FOR THEM. (UNFORTUNATELY, PRASONG COULD NOT RECALL THE NAMES OF EITHER HOST.) IN RESPONSE TO A QUESTION CONCERNING THE SIMULTANEOUS VISIT OF DEPUTY AGRICULTURE MINISTER THALOENG THAMRONGNAWASAWAT, PRASONG SAID THAT THALOENG JOINED THE DELEGATION AS DEPUTY LEADER IN PEKING, THUS DEMOTING AMBASSADOR ANAN TO THIRD PLACE IN THE DELEGATION. PRASONG INDICATED THAT THALOENG'S PURPOSE IN VISITING CHINA WAS MAINLY ONE OF CURIOSITY AND ORIENTATION ON CONDITIONS IN CHINA.

14. REGARDING THAI RELATIONS WITH TAIPEI, PRASONG STATED THAT PEKING AGAIN MADE IT CLEAR THAT TAIWAN WOULD HAVE TO GO IF THE PRC WERE TO NORMALIZE RELATIONS WITH THAILAND. PRASONG ALSO WAS STARTLED BY THE STRONG ANTI-AMERICAN REMARKS OF VARIOUS CHINESE OFFICIALS. THE CHINESE PROMOTED THE CONCEPT THAT THE SUPERPOWERS, THE UNITED STATES AND THE SOVIET UNION, WERE COLLUDING TO THE DISADVANTAGE OF THE THIRD WORLD. THE CHINESE SPECIFICALLY INCLUDED THEMSELVES, ALONG WITH THAILAND, IN THE

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THIRD WORLD. CHINESE FOREIGN MINISTER CHIAO KUAN-HUA AND VICE MINISTER HAN NIEN-LUNG EMPHASIZED THEIR SUPPORT FOR THE ASEAN PROPOSAL TO NEUTRALIZE THE INDIAN OCEAN.

15. IN HIS ATTEMPT TO IDENTIFY WITH THE THIRD WORLD, CHIAO STATED THAT THIRD-WORLD COUNTRIES MUST AVOID BEING USED BY THE SUPERPOWERS. PRASONG, TAKING THIS COMMENT AS A REFERENCE TO U.S. FORCES IN THAILAND, TOLD CHIAO THAT THAILAND WAS ITS OWN MASTER AND THAT U.S. BASES IN THAILAND WERE SUBJECT TO THE AUTHORITY OF THE THAI GOVERNMENT. AS AN EXAMPLE, HE REFERRED TO THE RTG REFUSAL TO ALLOW P-3 RECONNAISSANCE FLIGHTS OVER THE INDIAN OCEAN FROM U.S. BASES ON THAI SOIL. HE TOLD CHIAO THAT WHILE THAILAND COULD NOT CONTROL AMERICAN ACTIVITIES IN OTHER COUNTRIES OR ON THE HIGH SEAS, THE RTG WAS VERY MUCH IN CONTROL OF AMERICAN BASES IN HIS COUNTRY.

16. TO A QUESTION FROM THE EMBASSY OFFICER CONCERNING THE REPEAL OF REVOLUTIONARY PARTY ANNOUNCEMENT 53, PRASONG STATED THAT THE ABROGATION STILL HAD NOT APPEARED IN THE GOVERNMENT GAZETTE AND WAS THEREFORE NOT YET IN EFFECT. PRASONG THEN STATED THAT HE COULD NOT PROVIDE DETAILS AS IT WAS A SENSITIVE SUBJECT, BUT HISTORY WOULD SOME DAY SHOW THE EXTENSIVE WORK BEHIND THE SCENES OF THE MINISTRY OF COMMERCE IN BRINGING ABOUT RP 53'S REPEAL. HE ALSO INDICATED THAT THE GOVERNMENT OF THE REPUBLIC OF CHINA RECENTLY

HAD BEEN CAUGHT INTERFERING IN THE INTERNAL AFFAIRS OF THAILAND IN A "VERY SERIOUS" WAY, MUCH MORE SERIOUS THAN THE RECENTLY-PUBLICIZED ROC LETTER TO THE CHINESE CHAMBER OF COMMERCE SEEKING TO DAMPEN SINO-THAI SUPPORT FOR PRC SPORTS DELEGATIONS (BANGKOK 19242). PRASONG WOULD NOT ELABORATE ON THE ROC MEDDLING, BUT SAID ONLY THAT IT GREATLY DAMAGED SUPPORT FOR TAIWAN AMONG RANKING OFFICIALS OF THE RTG.

17. OP, WHO HAD VISITED CHINA SEVERAL YEARS PREVIOUSLY, NOTED THAT THE CHINESE PEOPLE APPEAR HAPPIER NOW THAN BEFORE AND THAT THE POPULATION IN GENERAL IS PERMITTED GREATER FREEDOM TO MOVE ABOUT THE COUNTRY, INCLUDING FROM ONE CITY TO THE NEXT. STRUCTURALLY HE SAW LITTLE CHANGE, COMMENTING THAT SHANGHAI LOOKED VERY MUCH AS IT DID BEFORE. (OP HAS A REPUTATION WITHIN THE THAI BUSINESS COMMUNITY FOR BEING PRO-PRC. FORMER PRIME MINISTER THANOM ONCE PERSONALLY REPRIMANDED HIM FOR PRO-PEKING STATE-
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MENTS THAT HE MADE TO THE LOCAL PRESS.)

COMMENT: BOTH OP AND PRASONG MIRROR AMBASSADOR ANAN'S ENTHUSIASM FOR THE DELEGATION'S RECEPTION IN NORTH KOREA. CLEARLY THE NORTH KOREANS LAUNCHED AN ALL-OUT AND SUCCESSFUL SNOW JOB. IN DISCUSSING THE CHINA PORTION OF THE TRIP, BOTH MEN WERE OBVIOUSLY RESENTFUL, THOUGH GUARDED IN THEIR COMMENTS, THAT DEPUTY FOREIGN MINISTER CHATCHAI HAD SO SUCCESSFULLY UP-STAGED THEM BY RETURNING WITH HIS 75,000 TONS OF HIGHSPEED DIESEL FUEL (SEPTEL) AND INVITATIONS FOR MEMBERS OF THE ROYAL FAMILY TO VISIT THE PRC.
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Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE VISITS
Control Number: n/a
Copy: SINGLE
Draft Date: 16 JAN 1975
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975BANGKO00789
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750016-0780
From: BANGKOK
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750148/aaaabpsx.tel
Line Count: 311
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: LIMDIS
Reference: 75 BANGKOK 234
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 11 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <11 JUN 2003 by BoyleJA>; APPROVED <12 JUN 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: THAI DELEGATION TO DPRK AND PRC
TAGS: PFOR, ETRD, TH, KN, CH, (PANYARACHUN, ANAN)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006